

EUROPE

The EU's 'Exocet' Calms on Trade

As Top Trade Official, Subtle Diplomatic Skills Are His Best Weapon

By Elizabeth Olson
New York Times Service

GENEVA — Pascal Lamy is known as "the Exocet" for a personality as direct and aggressive as the missile built in his French homeland.

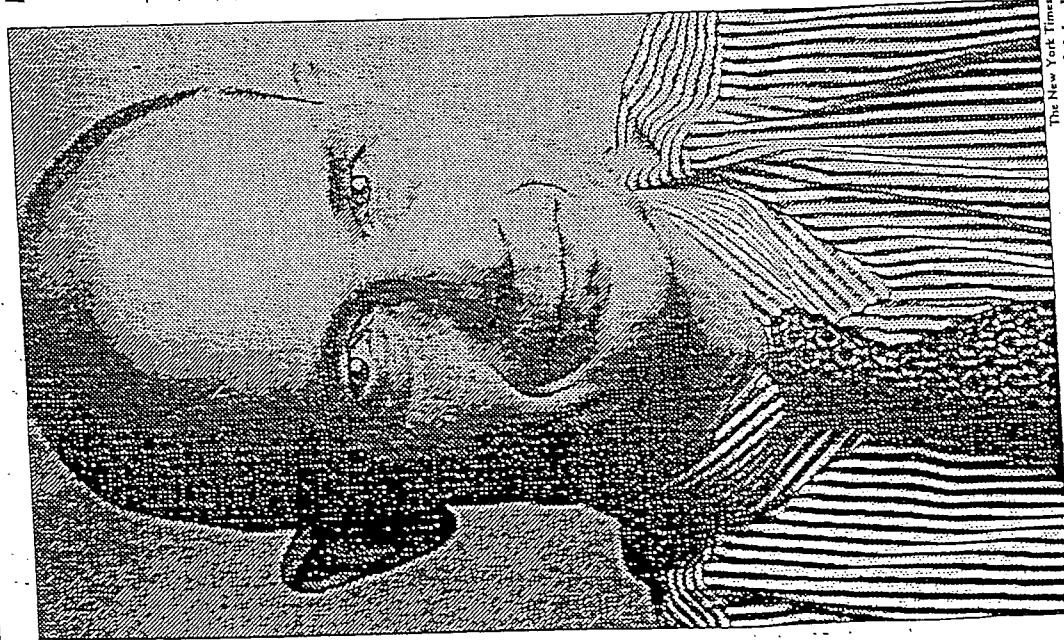
But now that he is Europe's top trade official, Mr. Lamy's subtle diplomacy may be a more useful weapon.

The career civil servant, confirmed as the European Union's trade commissioner last autumn, has found himself at the center of some of the most contentious international trade disputes.

French farmers want him to preserve the subsidies that keep their prices artificially high but are regarded as obstacles to free trade. European consumers want him to keep genetically modified food from abroad off store shelves. Then there are the seemingly never-ending trade fights between the European Union and the United States over bananas, steel, aircraft noise and hormone-treated beef.

There had been some surprise at Mr. Lamy's appointment, partly because of a widespread impression that he was too blunt and might alienate Europe's trading partners with his no-nonsense approach. But Mr. Lamy has shown himself to be adept at compromise.

He took the initiative to help restart the World Trade Organization talks that collapsed in Seattle two months ago, becoming the first high trade official to publicly propose a plan to break the



Pascal Lamy, the EU trade commissioner who lobbied for reviving the WTO talks that collapsed in December.

impasse. This week, the trade forum, based in Geneva, announced that it would reconvene the talks, although with a narrower agenda than Mr. Lamy had sought. "We have to repair and reignite the process," he said last week in Brussels, the headquarters city of the European Commission, the European Union's administrative arm.

Mr. Lamy was named to the trade post after top officials of the previous European Commission were dismissed last year over accusations of mismanagement and cronyism. His selection was a surprise partly because he had a not-altogether-flattering record in Brussels. He had served for nine years as assistant to the former commission president, Jacques Delors. It was then, when he handled meetings of the Group of Seven leading industrialized countries, that he acquired the sobriquets of Mr. Delors' hatchet man or, Mr. Delors's Exocet.

A graduate of an exclusive French management school, Mr. Lamy is identified with the country's political elite. Skeptics have wondered how a man enlisted in the French establishment would deal with the European practice of subsidies for farmers. "Agriculture is a tricky one for him," said Paul Brenton of the Center for European Policy Studies in Brussels. "He may want to move ahead but he will face the strength of the agricultural lobby, and ministries in Europe. He can only move ahead carefully and subtly in this atmosphere."

Mr. Lamy said, "I have room for

maneuver," adding, "We believe agriculture has environmental, social, local and landscape impact which deserve the taxpayer paying for this." Deep-seated differences between Europe and the United States over the U.S. view, backed by other exporting countries, that farm goods should be treated like any other item of trade contributed to the failure in Seattle. European countries and Japan strongly argue that farmers must be protected in order to preserve rural life. "He has been less French than expected in agriculture," said Nicholas Clegg, a British member of the European Parliament. "He has said the future of agriculture reform is not taboo. This has been a highly pleasant surprise."

Mr. Lamy departs from some European colleagues on the even more fractious topic of genetically modified food. He maintains that such disputes should be decided at the World Trade Organization. "The WTO will have to articulate the rules about this," he said, acknowledging that his view would be unpopular in Europe.

Mr. Lamy strongly defended the trade organization, which a broad range of critics have called a secretive group that has little public accountability. "It has been painted as the black box where multinationals do their dirty tricks in getting rid of barriers that protect nice people," he said, but "my prescription is going out loudly on the idea that we need more trade liberalization with rules that benefit everybody."